



# LAND SALE AUCTION INFORMATION & PROCEDURES

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*All bidders are assumed to be knowledgeable concerning the sale process and parcel(s) on which they intend to bid. The State assumes no obligation to stake or survey the offered properties. The sale of property is subject to any and all rules and statutes concerning the sale of property owned by the Utah Department of Transportation in force at the time of the sale. The Utah Department of Transportation reserves the right to reject any and all bids.*

**Right of Way Division - Property Management**

4501 South 2700 West

P.O. Box 148420

Salt Lake City, Utah 84114-8420

[www.udot.utah.gov/go/surplusproperty-auctions](http://www.udot.utah.gov/go/surplusproperty-auctions)

## TABLE OF CONTENTS

I. AUCTION PROCEDURES.....	1
II. AT THE CONCLUSION OF THE AUCTION .....	2
III. CLOSING .....	3
IV. FIRST RIGHT OF REFUSAL CONSIDERATION.....	4
V. REMOTE BIDDING.....	5

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## UTAH DEPARTMENT OF TRANSPORTATION LAND SALE AUCTION PROCEDURES

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Those desiring to purchase any parcel **must submit a fixed price sealed bid** to the Utah Department of Transportation. The envelope must be labeled "SEALED BID" and include the **address** along with the UDOT Corresponding **Pin, Project and Parcel number(s)** for which the bid is submitted. **Bids must contain a check for (1) the 10% deposit amount for the minimum purchase amount and a check for (2) the closing costs specified for the parcel.** More information on specific (10%) parcel deposit amounts and closing costs can be found on our webpage by visiting [www.udot.utah.gov/go/surplusproperty-auctions](http://www.udot.utah.gov/go/surplusproperty-auctions). **Bid deposits may be in the form of a personal check. Make checks payable to the "Utah Department of Transportation."** Unsuccessful Bidder's checks for parcel deposits and closing costs will be shredded at the close of the auction.

Sealed bids **(1) may be hand delivered** to the Utah Department of Transportation Administration officials **on the day of the auction** or **(2) mailed** to the address below:

**Comptroller's Office**  
**ATTN: TIFFANY NELSON - LAND SALE AUCTION SEALED BID**  
**4501 South 2700 West**  
**P.O. Box 141510**  
**Salt Lake City, Utah 84114-1510**

**Bids which are mailed must be received by 5:00 p.m. the day before the auction is to be held.** The Utah Department of Transportation Administration **will not be responsible** for late or lost mail.

**ALL BIDS, SEALED AND/OR ORAL, WHETHER RECEIVED IN PERSON OR REMOTELY VIA SPEAKER-PHONE ARE CONSIDERED LEGALLY BINDING AND MAY NOT BE RETRACTED ONCE SUBMITTED OR SPOKEN.**

### **I. AUCTION PROCEDURES**

Properties will be offered one at a time during the action. A parcel order list will be posted on our webpage prior to the auction however; the order may change the day of the auction. Bids will be opened at the auction and read aloud. Oral auctions for each property will be conducted immediately following the opening of the sealed bids. Oral auctions will begin at the high sealed bid amount for the indicated parcel. Participation in the oral auction for any parcel will be limited to the following:

1. The three highest bidders,
2. Anyone whose sealed bid is at least eighty percent (80%) of the third highest bid, and
3. The lessee or permittee for the indicated property provided he/she has submitted a sealed bid which is equal to or greater than the minimum selling price.

Bidders, or their legal representative, must be present to participate in the oral auctions. Each parcel will be sold to the highest bidder who equals or exceeds the minimum acceptable selling price.

**MINIMUM ACCEPTABLE SELLING PRICE** • The Utah Department of Transportation discloses the minimum acceptable selling price for each parcel that will be sold at an auction. This information along with additional parcel specific details will be posted on our webpage prior to the auction. **Sealed bids for any amount less than the minimum acceptable selling price will not be accepted.**

**RESERVATIONS OF SALE, RESTRICTIONS** and/or **DISCLOSURES**, if any, will be posted for each property listing on our website prior to the auction and can be found in the individual Parcel Information Packages.

**A BROKERS FINDER'S FEE** of 3% of the final selling price is available to qualified pre-registered brokers. More information on registering and broker terms can be found on our webpage or by clicking on the [Broker - Client Registration Information](#) link.

All bidders are assumed to be knowledgeable concerning the sale process and parcel(s) on which they intend to bid. The State assumes no obligation to stake or survey the offered properties. The sale of the property is subject to any and all rules and statutes concerning property owned by the Utah Department of Transportation in force at the time of the sale.

The Utah Department of Transportation reserves the right to reject any and all bids.

## **II. AT THE CONCLUSION OF THE AUCTION**

- A. The prevailing bidders will be expected to enter into a purchase contract prior to leaving the auction. The **following fees will be due from the prevailing bidder at the conclusion of the auction:**
  1. **Any unpaid balance** necessary to bring the deposit amount up to at least the required (10%) of the actual sale amount.
  2. **Closing Costs**, which include: a \$250.00 administrative fee, a \$500.00 processing charge/legal advertising fees, along with costs for the appraisal and engineering time for the preparation of deeds and plan sheets. Closing costs typically range from

\$2,000 to \$10,000 per parcel, but could be more depending on the costs associated with the appraisal and engineering documentation preparation.

### III. CLOSING ([R907-80-13](#))

- A. Prevailing bidders are required to enter into a purchase contract at the end of the auction. Deposit money along with closing costs identified for the parcel will be deposited into an escrow account held by the Department until the closing date.
1. The sale transaction must be closed within 30 days of the date of the contract unless good cause exists to delay the closing.
    - i. If a buyer wishes to extend the closing date, information intended to show that good cause warrants delaying the closing **must be provided in writing to the Right of Way Director within 30 days** after the date of the contract. At that time the Director will determine if good cause to delay exists.
    - ii. If the closing does not take place within 30 days after the date of the contract, **and** if the Director determines that good cause to delay does not exist, the **deposit money becomes non-refundable**.
      - a. However, if the Director determines from the information provided by the buyer that good cause to delay does not exist and the buyer still wishes to purchase the property, the Department may still agree to allow the buyer more time to complete the purchase. However, the buyer must provide **an additional 7% security deposit** to the Department to be held in escrow until closing, and at such time, the parties will have an additional 30 days after the date of the contract to close.
      - b. If the buyer **does not provide the additional 7% security deposit within 5 business days** after the Department agrees to allow the buyer more time to complete the purchase, the purchase contract is voidable and the Department may contact the next highest bidder who will then have an opportunity to purchase the property.
      - c. If the closing is not completed within the additional 30 days allowed by the Department, **all deposit money becomes non-refundable**, the **contract becomes voidable** and the Department may provide the next highest bidder an opportunity to purchase the property.
  2. The closing may be conducted at a title company provided the buyer pays for all related costs. If a title company is used for closing, the Department will instruct the company to record the deed and send it to the Department of Transportation after recording.

#### IV. FIRST RIGHT OF REFUSAL CONSIDERATION ([Utah Code §78B-6-521](#))

- A. **SUCCESSFUL BIDDERS** • The successful bidder of a parcel which has a first right of refusal attached is required to enter into a purchase contract at the end of the auction. The department will also collect the deposit money along with closing costs identified for the parcel which will be deposited into an escrow account while the holder of the first right of refusal is notified of the successful bid. Please note that these funds will be held for up to 90 days while the original owner considers exercising their first right of refusal.
- B. **ORIGINAL OWNERS HOLDING FIRST RIGHT OF REFUSAL** • The original owner who holds the first right of refusal will be notified by registered mail of the dollar amount and terms of the highest bid as soon as practicable after the end of the auction.
1. If the original owner is in attendance at the auction, written notification of the dollar amount and terms of the sale will be presented and as such the owner will be considered notified.
  2. The holder of the first right of refusal will have within 90 days from the date of written notification to inform the Department, in writing, whether the holder agrees to the amount of the highest bid and terms of the sale, or if they intend to waive their right.
  3. If the Department does not receive such written notification from the original owner at the end of 90 days, the Department will consider the right waived and the person who made the highest bid at the auction will be contacted notifying them that their bid has been accepted. The closing will be scheduled within 30 days from the date of the notification.
  4. If the holder of the first right of refusal waives the right, the person who made the highest bid at the auction will be notified by the Department that their bid has been accepted. The closing will be scheduled within 30 days from the date of the notification.
  5. If the holder of the first right of refusal retains their right, the holder will enter into a purchase contract with the Department for the amount of the highest bid made at the close of the auction and the closing will be scheduled within 30 days from the date of the notification. The Department at this time will notify the person making

the highest bid at the auction of the holder's decision to retain their right and all deposit money and closing costs held in escrow will be returned.

## V. REMOTE BIDDING

- A. Email notice shall be sent to Shirleen Hancock ROW Deputy Director- Property Management at [udotsurplusauctions@utah.gov](mailto:udotsurplusauctions@utah.gov) , **no later than one week prior** to the date of the auction with the request to bid from a remote location. This will allow time for the property equipment to be arranged.
- B. Remote bidders will be provided a conference call phone number and a passcode to participate in the auction live via speaker-phone.
- C. Remote bidders must call into the conference call line at the beginning of the auction and must remain on the line until after the bidding for their parcel of interest has ended. A request to participate in the auction remotely does not guarantee the bidder will be eligible to participate in the oral auction. The oral auction is limited to:
  - 1. The three highest bidders,
  - 2. Anyone whose sealed bid is at least eighty percent (80%) of the third highest bid, and
  - 3. The lessee or permittee for the indicated property provided he/she has submitted a sealed bid which is equal to or greater than the minimum selling price.
- D. All bids, sealed and/or oral, whether received in person or remotely via speaker-phone are considered legally binding and may not be retracted once submitted/spoken. If a remote bidder is the prevailing successful bidder for the parcel, the balance due (**any unpaid balance** necessary to bring the deposit amount up to at least the required 10% of the actual sale amount) must be paid via wire transfer **within 48 hours** of the date of the auction.
- E. A **sales transaction summary document** will be emailed to the purchaser and must also be signed and returned for processing **within 24 hours** of the date of the auction.